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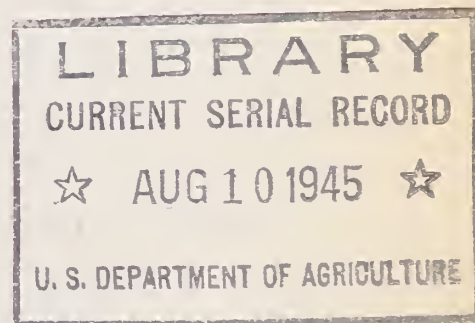


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# *Marketing activities*



WAR FOOD ADMINISTRATION  
Office of Marketing Services

IN THIS ISSUE:

DRIED EGG MARKET

By Carl Frischknecht, Poultry Products Division, Dairy and Poultry Branch . . . . . Page 3

From 1940 to 1944 the U. S. production of dried eggs jumped from 7½ million pounds to 320 million pounds. One post-war outlet for some of this expansion is ice cream.

COLD STORAGE REPORT

By V. M. Queener, Marketing Facilities Branch . . . . .Page 7

When you're trying to locate some space for your perishable commodities in the big U. S. cold-storage system, the Cold Storage Report is as necessary as an index is to a thick reference book. And that's just one way it is useful.

SQUARE DEAL IN A HURRY

By T. C. Curry, Chief, Regulatory Division, Fruit and Vegetable Branch . . . . .Page 11

When a farmer sells and ships perishable fruits or vegetables, the buyer may not (1) unreasonably reject the shipment or (2) fail to account for and pay for the shipment. The PAC Act helps commssion merchants, dealers, brokers, buyers, and sellers of fresh fruits and vegetables to understand each other better.

FEDERAL HAY INSPECTION

By W. H. Hosterman, Commodity Inspection Division, Grain Products Branch . . . . . Page 15

How the OMS hay-inspection service works.

COTTON GRADING AND STAPLING . . . . . Page 19

Grade and staple classifications exist because industry, agriculture, and the general public find them necessary. Were it not for the careful classification of cotton, the confusion would be so great that many products now considered commonplace might disappear from the markets of the world.



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# Dried Egg Market

. . . .By Carl Frischknecht, Poultry  
Products Division, Dairy and Poultry Branch

The U. S. dried egg industry has expanded greatly during this war as a result of an urgent need for highly nutritious food in a form convenient and condensed for use. Beginning after the announcement of the Lend-Lease program, facilities were enlarged, dried milk plants were converted, and new facilities were built. In 1941, the United States had only 16 egg-drying plants; in 1944 there were 121. In 1940 the United States produced 7,487,000 pounds of dried eggs. By 1944 production had jumped to 320,742,000 pounds.

So much for production growth during the war. What about afterward?

Even though the war years have brought great improvement in the quality of the dried whole eggs produced in this country, demand for the product is likely to return to pre-war levels unless more is done to increase domestic consumption than is being done. It is time that we begin to think hard and seriously of practical uses for dried egg products after the war.

Recently the Office of Marketing Services and other agencies have cooperated in surveying the possibilities of household use and of use in various prepared flour mixes. Here prospects of an extensive domestic market seem bright.

## Ice Cream

The practicability of using dried whole eggs and dried egg yolks in ice cream is one of several studies that the Office of Marketing Services of the War Food Administration has made for utilizing dried egg products after the war. Ever since ice cream began to be manufactured on a commercial basis, varying percentages of fresh and frozen yolks and liquid and frozen whole eggs have been used in it. As a result, eggs are regarded as desirable and natural in most kinds of commercial ice cream, rather than a substitute ingredient. The quality of dried egg products has been greatly improved. Can dried eggs as well as fresh and frozen eggs be used advantageously in ice cream mixes?

Let's look at some statements recently received at OMS from leading ice cream manufacturers and research workers in different parts of the country.

An official of a dairy manufacturing establishment and research bureau that conducts experiments for more than a hundred U. S. and Canadian manufacturers says:

"One of the main reasons for using eggs has been to improve the whipping quality of the mix. With improvement in manufacturing methods, this is no longer quite as important. However, it was soon discovered that when eggs were left out of an ice cream mix, it lacked the richness it formerly had. One of the main reasons for ice cream manufacturers' not using it is that it increases the cost of their product. Eggs have wonderful water-binding properties, which are extremely important for the low solid mixes which are made today. It is for this reason that we are recommending the use of 2 percent whole frozen eggs or a minimum of 0.5 percent and a maximum of 1.5 percent dried whole egg. Other advantages for eggs are: (1) They give smoothness to ice cream; (2) they improve the whipping qualities; (3) the over-run is obtained quicker; (4) the quality and food value are increased; and (5) they help to make ice cream more resistant to melting.

"In normal times egg yolk would be recommended in place of whole eggs. The benefit to be gained in ice cream from eggs is entirely in the yolk."

A large ice cream manufacturer writes: "We have been using one-half percent of whole egg total solids in our mix. Frankly, we experimented up to 1½ percent and found that we could use that without detection of flavor, which is, as you know, obnoxious to some people. From 1½ percent we worked down to our one-half percent, which gave us a substitute for milk solids and a whipping quality that is desired."

#### Food Value Increased

A prominent research professor in a large Eastern college states: "Dried egg yolk or powdered whole egg increases the food value of the mix. Dried egg yolk particularly increases the stiffness of the ice cream as it comes from the freezer. It also gives it a dry appearance which is desirable."

The claims of another research worker at one of the leading agricultural experiment stations are: "One of the real difficulties employed in the use of dried egg yolk is the problem of flavor. The addition of 0.5 percent dried egg yolk or its equivalent in the form of dried whole egg, frozen eggs, or fresh eggs has been found to improve the whipping properties of the mix and to increase the smoothness of the ice cream. Eggs act as an emulsifying agent and give better dispersion to the fat with a minimum of fat clumping, which is objectionable."

A scientist in another part of the country, who had experimented with ice cream mixes containing 0.21 percent, 0.43 percent, and 2.13 percent dried egg yolk, concluded as follows: "After considering the factors of flavor, body, texture, melting quality, color yield, and



storage quality of ice cream made from mixes containing various levels of dried egg yolk, it is our best judgment . . . that a level of 1 percent approaches the maximum limit without producing detrimental results. One percent dried egg yolk in ice cream mix--

- "1. Gives a good blend of flavor that is not objectionable.
- "2. Is associated with a reasonably satisfactory storage quality.
- "3. Is recommended when the product is to be sold fresh.
- "4. Is recommended for mixes made up of excellent-quality raw materials.
- "5. Produces a very slight increase in the color of the product.
- "6. Gives a normal over-run (100 percent) without difficulty.
- "7. Produces a product with a satisfactory resistance to melting.
- "8. Approaches the maximum amount that can be safely recommended without detrimental results."

#### Taste Panel Tests

To determine consumer acceptance of ice creams containing different amounts of dried whole eggs, Government agencies in Washington have recently conducted taste panel tests. Three series of ice cream mixes containing 0 to 5 percent of dried whole eggs were prepared for these testing panels by the Division of Dairy Research Laboratories, Bureau of Dairy Industries, of the United States Department of Agriculture. A report of these tests, which were participated in by 69 tasters, indicates that 1 or 2 percent of dried whole eggs can be added successfully to vanilla ice cream. When the addition rises to from 3 to 4 percent, the resulting product is slightly less acceptable--and 5 percent is not recommended. The addition created no difficulty in the processing or freezing of any of the mixes.

Suggested Food and Drug Administration standards now pending permit the adding of enough eggs to furnish 1.2 percent of egg solids in ordinary ice cream. Mixes containing more than this amount of egg solids are known as French ice cream or frozen custards. Laws governing the quantity of dried egg solids in French ice cream and frozen custards appear on the statute books in 26 of the 48 States. Most of the laws dealing with this subject specify that 2½ dozen "clean wholesome" egg yolks, or three-quarters of a pound of dried egg yolk containing not to exceed 7 percent of moisture, or 1½ pounds of frozen egg yolk containing

not to exceed 55 percent moisture or the equivalent in any other form must be used in each 90 pounds of frozen custard produced.

In the last 3 years, about 2 billion pounds of ice cream have been manufactured in the United States. If this rate of production should continue, addition of a half to 1½ percent of dried eggs to the mix would provide an annual market for from 10 to 30 million pounds of dried egg products after the war.

In the light of this opinion, it would seem that dried egg yolk and dried whole eggs of high quality will have an important place in the manufacture of all kinds of ice cream. They cost less per unit and can be stored and added to the mix with less waste and greater ease than fresh or frozen eggs. Even though complete information about present total use of dried egg products in ice cream in the U. S. is unavailable, there seems to be general agreement that to add dried eggs improves the whipping qualities of the mix; cuts down the time required to obtain the over-run; adds color; increases the food value, smoothness, and stiffness; and makes the ice cream more resistant to melting. Mixes containing 1 and 2 percent of egg solids received good consumer acceptance in taste test panels, but further research is required to determine the most acceptable percentage of egg solids and to discover how to reduce the cost of ice cream in proportion to the increase in cost of additional egg. Educational programs are needed to overcome the prejudices that have resulted among users from low-quality powdered egg products formerly available and to inform the public of the high-quality dried egg products now available for use.



#### LINSEED OIL ORDER AMENDED

WFA has amended War Food Order 124 to permit users of linseed oil greater flexibility in their operations by basing inventory limitations on the quantity of oil on hand by types rather than by the aggregate total.

Under the amendment, effective April 24, 1945, individual users may accept delivery of each type of the oil (raw, boiled, blown, alkali refined, otherwise refined, and polymerized) up to the equivalent of one-third of the quantity of that type used in the previous calendar quarter. The original order prohibited acceptance of any type as long as the aggregate total of all types was in excess of the 30-day limitation.

The amendment also changed the certification provision of the order by inserting a requirement that users certify (before accepting delivery of oil) whether they are subject to WFO 42a or 42b and, if so, whether they have filed Form 42-1 as required by the orders.



# Cold Storage Report

. . . .By V. M. Queener, Marketing  
Facilities Division

At 2:00 P. M. on the fifteenth day of each month the Office of Marketing Services issues 17 figure-packed pages known as the Cold Storage Report. Here in compact columns of figures the inventory of America's perishable foods is summarized. Tables and graphs show the quantities of food that will be available for the family dinner table in millions of homes for weeks and months in advance.

The mere matter of storing food is as old as history. Joseph in Egypt was an early and vigorous advocate of storage, and by following Joseph's advice to store food during the 7 years of plenty Pharaoh avoided starvation in Egypt during 7 years of famine.

## Control Within Fraction of Degree

Yet, though food storage in itself is an ancient practice, artificial refrigeration of food on a large commercial scale is of relatively recent origin. This is true because cold storage depends on highly complex physical and chemical processes--plus machines--that were undreamed of not so long ago. It is fairly simple to dry corn in the sun or even salt a piece of beef to make it keep, but to make temperatures and control them within a fraction of a degree is a far more complicated matter.

Around this ability to manufacture and control weather has grown a gigantic system of ways to preserve food during periods of relative abundance until days when such foods are scarce or are nonexistent as fresh products. Many kinds of properly stored foods are often impossible to distinguish from so-called fresh foods. Even more important is the fact that with the pace and complexity of modern life there would be a great many more bare spots on America's dinner table if it were not for the facilities of the huge storage industry that literally blankets the Nation. Millions of cubic feet of storage capacity are now used to hold billions of pounds of food.

The monthly Cold Storage Report gives the basic facts on these tremendous operations so that operators, producers, processors, distributors, and the Government can make more workable food plans. Major facts needed in creating workable plans include the amount, kind, and location of the storage space available to handle the constant flow of various food products.

The entire perishable food market is vitally affected by the stocks --or lack of stocks--of the various commodities that enter cold storage. These stocks include meats, dried fruits, frozen fruits and vegetables, eggs, poultry, butter, cheese, lard, fresh fruits, and other foods.

Most agricultural products are highly seasonal. When they get ripe--usually within a few brief weeks--they are in abundance, but at other seasons of the year they are scarce. In relatively simple economic systems such as existed many years ago, most people produced a large portion of the foods they consumed and, through fairly simple methods, preserved enough of these foods to last them through the winter. But in a complex economic system such as we have today, a vast number of people never produce any food at all for their own use. Without our great system of cold-storage warehouses, modern cities would have very difficult food problems and without these warehouses families would eat far more scantily than they eat now.

Control and better usage of the enormous stocks of food within warehouses would be impossible unless at some central point the basic facts on this industry were obtained and published. There are several advantages in having the Government do this job. Information obtained by Government can be relatively complete and accurate. Also, the release of such information by the Government is unbiased and it is in such form that it does not disclose the "trade secrets" of individual businessmen --although permitting all to profit by the general facts set forth.

The sheer labor of preparing the Cold Storage Report would be a considerable barrier to its publication by an individual or small group. In a single issue thousands of figures may appear, and many of these figures represent a condensation from thousands of other individual figures.

### Uses

Although you will never find lines at the public library waiting to read the newest issue of the Cold Storage Report, you could easily find reporters for the business papers eager to put its facts on the wires. Food men from coast to coast study the figures, graphs, and statements that apply to their various businesses. Some of them who are looking for unoccupied space learn from the report where it is to be found at that particular time. Today others learn from the report the areas in greatest need of space expansion and use it as a guide in approving priorities for the construction of new facilities. And high-ranking officers of the armed forces, representatives of allied foreign nations, and top civilian food officials all anxiously scan the facts presented --because these facts affect the national and international food decisions of nations at war.

The figures in themselves are often very impressive. As examples, a random examination of one issue of the Cold Storage Report reveals--



among the many commodities listed--29 million pounds of butter; 4 million pounds of shrimp; over 11 million bushels of apples; over 20 million pounds of frozen peas; and 107 million pounds of cheese. The quantities seem very large until the size of the Nation and its military requirements are considered.

Two major kinds of storage space appear in the report--"freezer" and "cooler." As the names imply, these two types of cold storage perform slightly different services. It is necessary to freeze some products, such as certain types of meats, in order to protect them. Others, such as cheese, are stored at temperatures above freezing. Some products, including apples and eggs, are sometimes processed and frozen and at other times stored in their natural state in coolers.

It's the monthly job of the Cold Storage Report to tell what? how much? and where? on the vast storage food stocks that are required to keep the Nation--at war or at peace--adequately fed. And, according to men who use it most, it does its job well--though most people have never heard of it.



#### WFA ADDS LAMB AND VEAL TO SET-ASIDE

Effective April 29, WFA has added veal and lamb produced in federally inspected slaughterhouses to the meats to be set aside for Government purchase.

The veal set-aside applies to grade AA, A, and B dressed carcasses weighing 60 to 275 pounds with the hide off. It requires a 100 percent set-aside of such grades and weights, but permits slaughterers, after sale or delivery of 35 percent to Government agencies, to make the remainder available for civilian use.

The set-aside requirements for lambs, excluding yearlings or mutton, is 100 percent of the AA, A, and B dressed carcasses weighing 30 to 70 pounds. After sale or delivery of 25 percent of such lambs to Government agencies, however, the remainder may be sold into civilian trade channels.

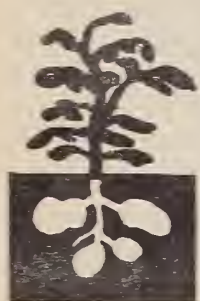
The veal and lamb set-aside does not affect the total quantity of these meats available to civilians, but merely changes the method of governmental procurement. Set-aside requirements for veal and lamb were issued as WFO's 75.4 and 75.5.

WFO 75.1 has been terminated, since, under WFO 123, the quota provisions of this order are transferred to the Office of Price Administration. Amendments to WFO's 75.2 and 75.3 also have been issued to include in these orders certain technical features originally included in the terminated WFO 75.1, and to correlate these orders with WFO 75 as amended.



## POTATO PERMIT PLAN EXTENDED TO KERN COUNTY, CALIF.

The War Food Administration has extended to Kern County, Calif., the provisions of WFO 120, which require shippers of Irish potatoes in designated areas to obtain permits from WFA before making shipments outside the area of origin. In operation since mid-December in various potato-producing sections of the country, the order was issued to assure availability of good quality stocks for the armed services.



Beginning April 23, 1945, shippers in Kern County, Calif., must first offer their potatoes to a Government procurement agency. If the quantities offered are not required for fresh use, or for use by dehydrators having contracts with Government agencies, a permit will be issued authorizing shipment in commercial channels. Offers to Government agencies must be at prices within official ceilings and must be accompanied by inspection certificates indicating grades and packs acceptable to WFA. A WFA representative who is authorized to issue permits has been stationed at Bakersfield.

Officials said supplies of late potatoes were practically exhausted in all areas except Maine, and that it was anticipated that procurement agencies would have difficulty in obtaining sufficient quantities of potatoes of a quality suitable for military use. Extension of WFO 120 to Kern County, Calif., the only western source of spring-harvested potatoes, therefore became necessary to assure an uninterrupted flow of supplies for war needs.



## CINCINNATI MILK HANDLERS DENIED SPECIAL PAYMENTS

The petition of milk dealers in the Cincinnati market for special payments to offset a 25-cent increase in the prices they must pay producers has been denied by WFA because the Office of Price Administration had determined that such payments were not justified.



An amendment to the Cincinnati order effective August 16, 1944, raised minimum producer prices for fluid milk and cream by 25 cents a hundredweight. WFA announced on December 1, 1944, that special payments would be made to dealers to offset this increase if they were determined to be necessary.

A detailed and careful study by OPA of operating costs, net profits, and dealers' margin on sales revealed that current maximum prices for fluid milk in the Cincinnati market were generally fair and equitable and allowed dealers an adequate margin for processing and distribution. The Cincinnati dealers had claimed they were being subjected to a "squeeze" between the prices they must pay producers under the Cincinnati milk-marketing order and wholesale and retail ceiling prices.

# *Square Deal in a Hurry*

. . . .By T. C. Curry, Chief, Regulatory  
Division, Fruit and Vegetable Branch

The Perishable Agricultural Commodities Act, commonly known to the industry as the PACA, is the Government's answer to the clamor of the trade for protection against unfair practices in the marketing of perishable agricultural commodities in interstate or foreign commerce. The first legislation along this line was an emergency measure known as the Food Control Act, approved August 10, 1917, which was brought about by conditions at the time of World War I. Later, it became apparent that some permanent regulation was essential, and the cooperation of the Government and the trade resulted in the passage by Congress in 1930 of the PACA, which is administered by the Office of Marketing Services.

The act requires commission merchants, dealers, and brokers to be licensed, and provides for denial of license to persons found unfit to engage in business. The licenses are issued only by the Washington office upon application made to the Regulatory Division of the Fruit and Vegetable Branch, OMS, War Food Administration, Washington 25, D. C., or to any PACA field representative, accompanied by remittance of the annual fee of \$10. A license is renewable from year to year, upon payment of the fee, as long as the licensee remains in good standing. To operate without a license makes the offender liable to a penalty of not more than \$500 for each offense and not more than \$25 for each day it continues.

## Prohibitions and Remedies

The act prohibits certain unfair practices, and is designed to afford remedy to the injured person be he buyer, seller, commission merchant, or broker, through the filing of a reparation complaint charging violation of any provision of the act by anyone who comes within its scope. The violations which these complaints cover are (1) rejection, without reasonable cause, by a buyer; (2) failure, without reasonable cause, of a seller to make delivery or failure to make good delivery; (3) failure truly and correctly to account (which includes failure to pay any amount due); (4) the making of false or misleading statements for a fraudulent purpose; and (5) misbranding.

The services of the Regulatory Division are for the benefit of any injured person who wishes to make use of them and there is no charge for services rendered. Although all money collected is turned over to



the U. S. Treasury, the Division is really more than self-supporting in that each year the amounts received exceed by from \$35,000 to \$40,000 the expenditures of the offices maintained to serve the trade. At the close of the last fiscal year 19,305 licenses were in effect. License fees, arrearages, and penalties collected during the year amounted to \$212,000.

Initial complaints are filed informally, with the Washington office, or with one of the field offices located at New York City, Chicago, Los Angeles, Winter Haven, Fla., and Portland, Oreg., all of which act as a closely knit unit. Such a complaint is handled informally, the Division immediately communicating with the party against whom it is filed, conducting an investigation, and trying to effect a friendly adjustment of the misunderstanding or controversy between the parties. Ordinarily this is done by mail, but more urgent cases, such as when there is a disagreement over a car of highly perishable produce standing on track, require quicker action. Service on urgent matters is available every day including Sunday. Complaints may be filed by telegraph or telephone. The only long-distance telephone to the War Food Administration that does not go through the central switchboard (Republic 4118) is that which has been installed in the Regulatory Division's Washington office to enable the trade to place station-to-station calls. During the last fiscal year 2,058 complaints were filed, but they do not truly measure the value of the service because they do not take into account all the numerous demands upon it for information, advice, and opinions.

#### Interpretation of Contracts

Another job of the Regulatory Division is to review and interpret the terms of contracts entered into by members of the fresh fruit and vegetable industry. A contract is defined as an agreement between two or more parties to do or not to do certain things. In order that it may be valid and binding, there must be a complete meeting of the minds of the parties. For example, a buyer orders a carload of U. S. No. 1, size A potatoes. The seller, in response, confirms a carload of U. S. No. 1 potatoes. There has been no meeting of the minds because the buyer specified size A, whereas the seller confirmed merely U. S. No. 1, omitting the buyer's size A specification. The seller must meet all essential specifications of the contract if he is to demand acceptance by the buyer. If one specification calls for "prompt shipment," but the seller applies on the order a "rolling car," then the seller cannot demand the buyer's acceptance because shipment has not been made at the time specified.

Frequently valid and binding contracts are completed and the goods are on wheels when the market for that particular commodity suddenly takes a downward trend. The buyer wires the seller and requests cancellation of the order. The seller is not compelled to cancel the order and



the buyer may be required to accept the goods even though a loss stares him in the face. It has been held in PACA decisions that a declining market does not justify refusing the acceptance of a carload of produce. Inability to pay for produce purchased or received on consignment is not a good defense to a complaint filed under the act.

For the past several years, when no agreement between the parties could be reached, there has been an increasing tendency to submit the dispute for an informal determination by the Regulatory Division. Each party presents a detailed statement of the facts and whatever evidence he has to offer. On this basis an opinion is rendered representing the unanimous opinion of the Division's three investigators.

All efforts aimed at informal settlement failing, formal complaint is accepted and submitted to the Office of the Solicitor for whatever action may be deemed appropriate. If the formal decision, rendered by the War Food Administrator, awards reparation, the offender's license is automatically suspended by operation of law unless the offender makes payment within the time specified in the order or appeals to the U. S. District Court, and it is a violation of the law for him to continue to receive, ship, buy, or sell fresh fruit or fresh vegetables in interstate commerce during the suspension period.

Disciplinary complaints are begun on the basis of information showing repeated or flagrant violations of the act, including failure to make and preserve for a period of 2 years a complete record of every transaction, which must be available for official examination. Purpose of the proceedings is the suspension or revocation of the offender's license, and the War Food Administrator has the power to render decisions taking such action. The law also provides for proceedings to determine whether an applicant for license is fit to engage in business, and to deny license if he is found unfit.

OMS likes the trade to consider PACA as a part of the trade, supervised by the Government solely because PACA was designed as an impartial agency set up to settle honest disputes between members of the industry. Inquiries are encouraged, because the opinions of the Division, based on the administration of the law over a period of years, tend to keep disputes at a minimum and to encourage friendly dealings among the buyers, sellers, brokers, and receivers.



On April 26, 1945, WFA completed an agreement with Cuba to make available to that country 1,200,000 200-pound bags of flour within the ensuing 12 months at a base price of \$6.90 per 200-pound bag of bakery high patent flour, c. i. f. Havana. To implement this agreement the Commodity Credit Corporation will announce from time to time the rates of payments to be made to United States exporters to equalize prices in the United States with the agreed upon price at Havana.

## MILK CONSERVATION ORDER CONTINUED

Growing war requirements for all major manufactured dairy products and continued tight supplies of butter, cheese, and evaporated milk for civilian use, make it necessary to continue limitations on the sale of fluid milk and cream even during the spring and summer months of peak milk production, WFA has announced. This decision was approved by representatives of milk producers and handlers at a Washington meeting of the National Fluid Milk Industry Advisory Committee.

Following a discussion of all phases of the wartime dairy program, WFA urged that the industry do everything possible to channel the seasonally increasing milk production to dairy manufacturing plants. It was pointed out that fluid milk and cream sales to civilians already were at an all-time high and that further increases would only decrease civilian supplies of such manufactured dairy products as creamery butter, cheese, and evaporated milk. WFA requested fluid milk dealers to forego promotion campaigns so that they might have no difficulty in remaining within present sales quotas.

However, recognizing that as usual the spring flush in milk production in some areas might exceed the quantity which local manufacturing plants could handle, WFA authorized local administrators of the milk conservation program to permit such increases in the sales quotas on milk byproducts (buttermilk, flavored milk drinks, etc.) as might be necessary to assure full utilization of the skim milk from which these products are made. Sales restrictions on cottage cheese were removed in October 1944. In addition, where necessary to prevent waste, market agents may temporarily increase fluid milk sales quotas and also make limited adjustments in cream sales quotas during May and June only.

During these 2 months, market agents have the authority to permit as much butterfat to be sold in cream as was sold in June 1943. The use of butterfat in cream in most of the 128 metropolitan areas covered by War Food Order 79, the milk conservation order, currently is limited to 90 percent of the quantity sold in cream in June 1943. In granting this authority, WFA cautioned its agents to increase quotas only when sufficient manufacturing outlets for milk are not available and liberalized use of milk in fluid form is necessary to assure full utilization of the seasonally large production.

In explaining why sales quotas must be strictly observed, WFA stated that war needs for all dairy products in 1945 will require about 21 billion pounds of milk out of a total production which the Nation's dairy farmers may push to a record 120 billion pounds. Fluid milk and cream consumption by civilians probably will take about 55 billion pounds of the remainder--or over 10 billion pounds more milk than was consumed in fluid form in pre-war years. Thus, only about 44 billion pounds will be left for all other dairy products and other milk uses, as compared with about 60 billion pounds used in this way before the war.



# Federal Hay Inspection

. . . .By W. H. Hosterman, Commodity  
Inspection Division, Grain Products Branch

A Federal hay inspection service is conducted by the War Food Administration's Office of Marketing Services. Hay inspectors at important central markets and shipping points are employed under cooperative agreements between OMS and organizations such as State departments of agriculture, commercial exchanges, and dealers' and growers' associations. OMS trains the inspectors (1) in the Department of Agriculture's methods of inspecting hay and (2) to apply the official hay and straw standards of the United States. Then inspectors who qualify are licensed, and OMS supervises their work. The organization cooperating with OMS pays the inspector for his work and pays all other local expenses.

The cooperating organization also collects the fees charged for inspection made under agreements of this kind. The funds are divided between the local organization and WFA in such a manner as to cover their expenses as nearly as possible.

## Supervision

The local inspectors' work is supervised by authorized OMS employees located at central points in the large hay-producing and -consuming areas. In addition, the supervisors are on call to make inspections at points in their territory where no other inspectors are available. The supervisors also help producers, dealers, and consumers to obtain all the benefits possible from the Federal hay and straw standards and the inspection service.

When the hay inspection service is established in cooperation with some State agency, the inspectors are employed by the State department. Federal-State certificates issued by the inspectors are supported by the State as well as Federal authority. In some States, use of U. S. standards is compulsory for all transactions involving hay unless the hay is specially marked or described as "Not Graded."

Hay inspectors holding Federal licenses are located at all points where arrangements for their employment can be made with some suitable organization under one of the plans previously mentioned. Wherever there is a demand for inspection sufficient to pay the expense of the service, but no suitable organization is prepared to cooperate with OMS, an inspector who is a full-time Federal employee may be located



at that place or arrangements may be made to supply the service in some other desirable manner. In any case, fees are collected from applicants to offset the cost of the service.

Distributing and consuming markets at which inspectors are located are designated by WFA as important central markets for hay inspection. The inspectors located at such markets also inspect hay received at all points within a reasonable distance of these markets. Inspectors located in producing areas usually are available for hay inspection at any point near their headquarters.

### Training

All Federal hay inspectors must satisfactorily complete a training course provided by OMS before they are designated or licensed. Men admitted to these training schools are required to have at least a common-school education and to have had either sufficient experience in handling and marketing hay or college training along agricultural lines to qualify them to grasp readily the principles on which the official hay and straw standards are based. Each candidate for an inspector's license is required to pass satisfactorily a color test prescribed by OMS. Since color is an important grading factor, a person with any indication of color-blindness cannot become a competent hay inspector.

The training schools are held at the OMS hay-standardization laboratories at Washington, Kansas City, and other points where they are needed. They are held whenever a sufficient number of persons require training. After inspectors are designated or licensed they are brought together from time to time at central points in different sections for additional training and discussion of problems relating to their work. These meetings, which usually last from 1 to 3 days, aid in keeping the inspectors' work uniform.

Regulations of the Secretary of Agriculture governing hay inspection require each inspector to issue an inspection certificate for each lot of hay he inspects. The law provides that all such certificates are receivable in all courts of the United States as prima facie evidence of the truth of the statements they contain. A number of States have laws making all Federal certificates acceptable as prima facie evidence in their courts.

To take care of various conditions in the hay trade it has been necessary to provide several forms of inspection known as "partial inspections," "complete inspections," "sample inspections," and "appeal inspections."

A complete inspection is made only when the inspector sees either every bale in the lot or a sufficiently representative portion of the lot to permit him to determine the quality and condition of the entire

lot. In such cases the inspector issues a complete inspection certificate which states without qualification the quality and condition of all hay in the lot. The words "Complete Inspection" are printed in large type on the certificate. Complete inspection usually can be made on hay that is being loaded into or unloaded from cars or that is stored in public warehouses in piles of not more than 10 or 12 tons each.

A partial inspection is made when not enough of the hay in the lot is seen to make a complete inspection possible. For example, a car-door inspection is a partial inspection. In such a case the inspector issues a certificate with the words "Partial Inspection" printed in large type. The certificate states which part of the lot the hay inspector examined and that the quality and condition assigned apply only to the part actually seen.

A sample inspection is the inspection of single bales or smaller portions delivered to the inspector's office. This inspection provides the means of learning the grade of a lot which is located too far from the inspector's office to justify the expense of having an inspector examine the lot of hay. Responsibility for the representative character of the sample in relation to the lot rests with the party submitting it. Sample inspection certificates show the size of the sample examined by the inspector and state that the quality and condition shown are that of the sample only.

#### Appeal Inspection

An appeal inspection can follow either a complete inspection or a sample inspection, but not a partial inspection. An appeal inspection involves the accuracy of the inspection from which the appeal was taken, and can be made only if (1) the hay has not left the place where the inspection was made, (2) the condition of the hay has not undergone a material change, (3) the identity of the hay has not been lost, and (4) the application is filed before the close of the second business day following the original inspection. Therefore, an appeal inspection is never made by the inspector who made the original inspection, but by an inspector designated specifically for the purpose by OMS. An appeal inspection certificate gives a clear statement of the quality and condition of all hay in the lot and refers specifically to all the previous inspection it supersedes.

Before an appeal may be taken on a lot of hay that has moved from the place where it was inspected, another complete inspection of the same lot must be made at the new location. An appeal may be taken from this inspection after compliance with the regulations of the Secretary of Agriculture.

Federal hay inspectors are required by the regulations to use the U. S. standards for all kinds of hay and straw for which such standards



have been established. In addition, the certificate may show any other facts (such as poor baling) that affect the value of hay or straw but are not covered by the standards. Hay and straw for which official standards have not been promulgated may be inspected. In such cases inspectors are instructed to describe the quality and condition of the hay or straw as nearly as possible.

All Federal and Federal-State inspection certificates show, among other things, the date on which the inspection was made, the quality of hay in the lot inspected, and the identification and location of the hay at the time of inspection. Partial-inspection certificates also show the portion of the lot actually examined by the inspector.

The Secretary of Agriculture authorizes certain fees and charges to be collected for the work of Federal inspectors. These vary somewhat at different points depending on the volume of business at that point, the accessibility of localities where inspections ordinarily are made, and other factors. The fees are the amounts charged for the actual work of making inspections and appeal inspections. The charges cover amounts that inspectors are permitted to charge for their time and travel expenses when making inspections at points away from regular stations.



#### SET-ASIDE OF CONFECTIONERY PRODUCTS CANCELED

War Food Order 115, which provides for a set-aside of candy bars, rolls, and packages made to retail at 5 cents, has been canceled effective April 1. The cancellation, which includes the reporting provisions of the order, came after revisions of the armed forces procurement estimates indicated that these commodities would be available in sufficient quantities through normal trade channels.

Manufacturers are no longer required to set aside any of their production for procurement by the armed forces. All procurement for the military services will be handled direct with manufacturers.

Termination of WFO 115 superseded amendment 5 to the order which reduced the set-aside from 50 to 35 percent and which was to have become effective April 1.

Cancellation of the terms of WFO 115 does not release manufacturers from their responsibilities under the order existing before April 1. All candy bars, rolls, or packages that were set aside at the time of the termination were to be held as set-aside candy bars, rolls, or packages, and might be sold or disposed of only to a governmental agency. Upon rejection by a governmental agency, they might be sold in civilian outlets.



# *Cotton Grading and Stapling*

"The shroud lines on the parachutes must have a breaking strength of hundreds of pounds," said the Air Forces general.

"My sheets must stand up under dozens of washings--and look nice," demanded the housewife.

"I don't mean to make a crop of cotton and then get paid less than it's worth," said the farmer.

These people and countless others voice thousands of demands on cotton--cotton which is used in the service of man from birth until death. Cotton and its place in the modern world would be fairly simple if all cotton were alike and would do the many, many jobs it is called upon to perform. But the experts can show that cotton is almost as complicated as people, and has nearly as many characteristics and individual quirks. American upland cotton (the most prevalent kind) has more than 600 recognized major grade and staple combinations.

## Classification Necessary

These grade and staple classifications exist only because industry and agriculture and the general public find them necessary. But for careful classification, the confusion which would exist would be so great that many of the products now accepted as commonplace might disappear from the markets of the world. To help the farmer, buyer, seller, and the public generally, an elaborate cotton classification and grading service exists. It is primarily a Federal service, and during the 1944-45 crop year it classified about 8 million bales of cotton. (A bale weighs about 500 pounds.)

To perform the tremendous physical task of classifying cotton requires the part-time or full-time services of large numbers of cotton classifiers. Classers employed by the Government have been obliged to pass a rigorous examination to demonstrate their qualifications. To a considerable extent, the judgment of these trained men determines how much the farmer will get for a particular bale of cotton he has grown--and also to what manufacturing use the cotton will be put.

Major factors in establishing the classification are grade and staple length. The classifier examines samples from the bales, works

them through his fingers to establish "staple length," and also determines the grade (color, foreign matter, and ginning preparation) during his inspection. When he decides the proper classification, it is written on an official certificate applicable to the bale and may be used in future sales, to obtain loans, and so on.

Only a person who has practically lived with cotton can appreciate the vast importance of this classification service. Before it existed, certain buyers purchased the farmer's very good cotton at a low price on the strength of some nonexistent flaw alleged by the buyer. This particular bit of sharp practice could easily cost the farmer \$25 to \$45 per bale.

So widespread is the available inspection and classification service today that no farmer needs to sell without first knowing exactly what his cotton grades. For many thousands of farmers the classification service is free under the Smith-Doxey Act. As one cotton grower phrased it--"Where Cotton is king, the classification service is sure prime minister and helps to keep him on his throne." Estimates as to the amount of money which has gone into farmers' pockets as a result of cotton classification runs into multi-million-dollar figures.

#### Quality Improvement

Another byproduct of unbiased, competent classification has been a gradual improvement in the quality of the cotton grown. Quite naturally farmers want to raise better cotton which will bring them more money--when they have reasonable assurance that they will receive the money to which their improved cotton entitles them. This, in turn, has permitted and encouraged textile research and cotton-usage research which has benefited the Nation and the world.

To many commercial buyers and manufacturers who use cotton as a raw material, the classification service is as welcome as it is to the farmers. These buyers and users know exactly what they are getting when they buy officially classified cotton. Indeed, it is safe to say that few large users would purchase a bale of cotton which had not been classified by Government employees or other competent classers. To make such purchases would involve too much financial risk at the time of purchase, and could also result in their obtaining a class of cotton entirely unsuited to the needs of the particular manufacturer.

To the layman, raw cotton is simply "fluffy, white stuff." But where finished products are concerned, the cotton that goes into a fine percale sheet is far different from that used for making bandages. Scores of highly-specialized (and expensive) machines are adjusted to allow for the family traits of various kinds of cotton. Feed the wrong classification of cotton into these machines, and the result may be disastrous.



Standards of performance in many types of cotton goods become peculiarly important in wartime because the safety, the comfort, and even the lives of American fighting men may often depend on the cotton products they use. Back of all standards of performance lies the basic classification of cotton. The Cotton Futures Act requires that all cotton for delivery in the settlement of futures contracts be classified by a board of cotton examiners. This is a safeguard to the entire public both in peace and war. The Government (through its Commodity Credit Corporation) also insists on classified cotton before making its loans or purchases. About 2.5 million bales were so classified during the 1944-45 crop year.

The largest single classing job was done under the Smith-Doxey Act for the organized cotton improvement groups--which had over 4 million bales classified during 1944-45.

A further great economic service that comes through unbiased, competent classification ties in with cotton exports. Even before the United States formally existed as a nation, cotton was an article of commerce in the Colonies.. Today, despite a war-torn world, cotton is an important export commodity.

American foreign trade has sometimes presented a bleak picture of gradual losses which could be traced to the fact that products from this Nation were not properly classified or were not "up to sample" when delivered abroad. Foreign merchants who have invested thousands of dollars in a commodity they believed to be one thing, and which on arrival turned out to be totally different, are not good "repeat customers." Competent cotton classification eliminates this threat to international misunderstandings where cotton is concerned.

The cotton buyer in Liverpool, Manchester, or elsewhere can place his order by cable for a definite standard of cotton and get exactly what he ordered, delivered to his home city--without ever seeing the merchandise prior to arrival in his country.

Percentagewise, there have been amazingly few "kicks" about the classifications made by official classifiers. But any person with a financial interest who feels that his cotton has been improperly classed may appeal the original classification and have it redetermined by a board of experts. Relatively few of the regradings change the original classification, which fact indicates a high average of correctness by original classifiers.



Because the lard supplies for civilians are critically short in Utah, WFA has extended the exemption from the lard set-aside to that State. Until further notice, packers operating under Federal inspection in Utah are not required to set aside lard for Government procurement.

PRODUCTION QUOTAS FOR FOREIGN  
TYPES OF CHEESE INCREASED 10 PERCENT

WFA has increased by 10 percent the amount of foreign types of cheese which manufacturers will be allowed to produce in the April, May, and June quarter of 1945 under WFO 92. This action was taken as a result of indications of an unusually high rate of milk production in this second quarter and will have the effect of increasing civilian supplies of foreign types of cheese by 10 percent during the period.



The action does not affect quotas after the second quarter. Beginning with July, a manufacturer's production of foreign types of cheese again will be limited to the quotas previously established on the basis of the quantity of these types produced by him during the corresponding quarter of 1942.

In March the rate of milk production was 3 percent over March 1944, and a rate of production higher than last year is expected to continue throughout the second quarter, which is the season of greatest milk production. Production of Cheddar cheese--as distinguished from foreign types--during the first quarter of 1945 was about 15 percent over March 1944, and a rate of production higher than last year is expected to continue throughout the second quarter, which is the season of greatest milk production. Production of Cheddar cheese--as distinguished from foreign types--during the first quarter of 1945 was about 15 percent more than that in the first quarter of 1944.



WFA REDUCES CATTLE, CALF  
SLAUGHTER SUBSIDY PERCENTAGES

The War Food Administration, at the request of the Office of Price Administration, has amended WFO 126.1 under which subsidy payments to nonfederally inspected slaughterers are determined.



The amendment reduces the percentages on cattle and calves processed by slaughterers operating in nonfederally inspected plants on which a subsidy will be paid, from the previous 100 percent to 75 percent of the live weight slaughtered in the corresponding period last year. This action is effective April 29, 1945.

The amendment also applies--for the first time--subsidy limitations on sheep and lambs processed in nonfederally inspected plants. For the current period the percentage has been set at 100 percent of the live weight of sheep and lambs slaughtered in the corresponding period last year. The subsidy limitation on hogs remains at the current 50 percent.



## WFA TO LIMIT INVENTORY OF BREWER-MALTSTERS

War Food Order 66, limiting the use of malted grain in brewing, has been amended to limit the quantity of malt a brewer-maltster may have on hand, on or after September 1, 1945, to 15 percent of the amount used during 1942. This action was recommended at a recent Brewing Industry Advisory Committee meeting.

Previously the order imposed an inventory limitation only on those brewers who do not produce malted grain. WFA officials believe that without the limitation, prescribed by the amendment, approximately 69 percent of the total malt supply would be in the hands of brewer-maltsters by September 1.

Up to the present the order provided that any brewer who used less than 8,000 bushels of malted grain in the base year could use up to 2,000 bushels in each 3-month quota period. In some quota periods provision has been made by amendments to the order, to increase this amount to 2,100 or 2,200 bushels.

The new amendment also provides that any brewer who was engaged in the manufacture of malt beverages during the base year, regardless of the quantity of malt he used in the base year, is entitled to use up to 2,100 bushels in each quota period.



## HEARING ON PROPOSED MILK ORDER FOR MINNEAPOLIS-ST. PAUL AREA

WFA has announced a public hearing to be held in St. Paul, Minn., on May 22 to consider issuance of an order to regulate the handling of milk in the Minneapolis-St. Paul marketing area. The hearing was requested by the Twin City Milk Producers' Association, which has notified WFA that a marketing agreement is needed to encourage orderly marketing of milk in this area. The meeting will be held at St. Paul.

The proposed order would provide for the creation of three classes of milk for marketing purposes in the area: (1) Fluid milk and milk drinks; (2) cream, cottage cheese, and buttermilk; and (3) all other dairy products. Class prices would be based on either the average price paid for milk by 19 evaporated milk plants located in Wisconsin, Michigan, and Minnesota or on market prices for butter and nonfat dry milk solids according to formulas set forth in the proposed agreement.

The order would also distribute to producers money payable to them for their milk by means of an individual-dealer pool. This pool would provide that all producers shipping to the same dealer be paid a uniform price for their milk.

## ICE CREAM FOR OFFICERS' MESSES REMOVED FROM QUOTAS

Under amendment 8 to WFO 8, effective April 14, WFA will exempt deliveries of ice cream for officers' messes from quota restrictions. Deliveries of ice cream for enlisted men's messes were quota exempt already. (The quotas, under WFO 8, limit each manufacturer's use of butterfat in making ice cream for civilians and certain semimilitary groups to 65 percent of the quantity he used for such purposes in the corresponding month of the base period, December 1941-November 1942.) The action was not expected to affect civilian supplies of ice cream.

Military authorities requested removal of the restrictions on production for officers' messes. WFA officials, in adding officers' messes to the list of those agencies to which ex-quota deliveries of ice cream may be made, pointed out that the exemption does not apply to Army Officers' Clubs and their counterparts in the Navy and the Marine Corps, nor to Service Clubs, noncommissioned officers' clubs, Post restaurants, and Post messes for civilian employees.



## CONTRACT SCHOOLS, MARINE HOSPITALS, MARITIME ACADEMIES AUTHORIZED TO BUY SET-ASIDE VEAL, LAMB

WFA has added veal and lamb to the list of set-aside foods which contract schools, marine hospitals, and maritime academies are authorized to buy under WFO 73. This action was taken through amendment to WFO 73 to bring it into line with recent changes in WFO 75, under which veal and lamb were put under set-aside regulations.

WFO 73 makes provision for the contract schools, marine hospitals, and maritime academies to purchase set-aside and restricted foods directly from persons required to set aside the food, or indirectly from jobbers, wholesalers, or intermediate distributors.

WFA has also added veal and lamb to the list of set-aside foods that ship suppliers, licensed under WFO 74, may buy for ultimate resale to ship operators. This action resulted from the placing of veal and lamb under set-aside. Under the amendment, ship suppliers in preparing their monthly reports should furnish complete information about their procurement activities in veal and lamb.



WFA has amended WFO 75 to eliminate livestock slaughter licensing and quota provisions from this order. This action, effective April 29, is in keeping with the recent delegation of authority to the Office of Price Administration under WFO 123 to administer slaughter limitations for livestock processed in nonfederally inspected slaughterhouses. WFA will continue to administer other provisions of WFO 75.



## ABOUT MARKETING:

The following reports and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach, and mail to the Office of Marketing Services, War Food Administration, Washington 25, D. C.

### *Address:*

S. R. Smith, Deputy Director, Office of Marketing Services, before Secretaries of the National Restaurant Association, at Washington, D. C. on April 27, 1945. (mimeographed)

### *Reports:*

Results of Fiber and Spinning Tests for Some Varieties of Upland Cotton Grown in the United States, Crop of 1944. April 1945. 22pp. . . (multilithed)

Statement Relating to Wartime Dairy Programs. March 1945. 12pp. . (mimeographed)

A Quick Test for Flour or Bread Enrichment. April 1945. 2pp. . . (mimeographed)

Consumption of Fluid Milk and Cream in Northeastern Marketing Areas, 1943. (Bureau of Agricultural Economics) February 1945. 20pp. . (mimeographed)

Relationships Between Properties of Cotton Fibers and Strength of Carded Yarns. March 1945. 58pp. (multilithed)

Subchapter B--Meat Inspection Regulations. March 24, 1945. 44pp. (printed)

Quality Characteristics of Wheat Varieties Grown in the Western United States. (Technical Bull. 887) (Office of Marketing Services, WFA, and Bureau of Plant Industry, Soils, and Agricultural Engineering, Agricultural Research Administration) March 1945. 36pp. (printed)

The Container Situation. May 1945. 4pp. (mimeographed)



### APPLE ORDER TERMINATED

War Food Order 121, under which handlers of fresh apples grown and located in Oregon and Washington were required to set aside their holdings of certain varieties to meet military and war service needs has been terminated by WFA, these needs having been substantially fulfilled. WFO 121 was issued January 16, 1945.

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